

## United States Senate

WASHINGTON, DC 20510

September 3, 2014

COMMITTEES:  
AGRICULTURE, NUTRITION AND FORESTRY  
BANKING, HOUSING AND  
URBAN AFFAIRS  
HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
INDIAN AFFAIRS  
SMALL BUSINESS AND ENTREPRENEURSHIP

The Honorable Tom Wheeler  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554-0004

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Dear Chairman Wheeler:

I write about the Connect America Fund Phase II rules currently under review and request your attention to several key issues of concern raised by providers in my state of North Dakota to enhance certainty and predictability for price cap carriers.

Providers in North Dakota, even with its vast rural spaces, have made great strides in improving access to broadband throughout the state. Yet, there are still areas of the state which present unique challenges, including our Indian reservations and the western oil region. The Connect America Fund Phase II provides an opportunity to close the digital-divide in these areas.

The Further Notice of Proposed Rulemaking dated June 10, 2014, proposes to increase downstream speeds from 4mbps to 10mbps. I support the goal of proposing a speed which will be comparable to urban areas. However, I have heard concerns from providers in my state about ensuring the speed standard applies to all carriers in order to not leave anyone behind and the need for a 10 year timeframe for support to allow providers the ability to make the proper infrastructure improvements. In addition, providers have expressed the need for flexibility to substitute extremely high cost locations with unserved locations in partially served census blocks to allow these funds to reach as many people as possible.

The broadband technology we implement today will affect consumers in the years to come. In a time when access to broadband has become essential to our economy, we must make sure we are meeting the demands in a responsible, timely, and efficient manner. I hope you will take these concerns into account as you work to finalize the regulations. Thank you for your attention to this important matter.

Sincerely,



Heidi Heitkamp  
United States Senate



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

October 1, 2014

The Honorable Heidi Heitkamp  
United States Senate  
502 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Heitkamp:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II) and concerns raised by price-cap carriers in North Dakota. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21<sup>st</sup> century. We are focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experience to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

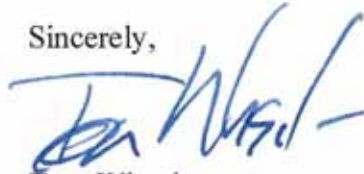
In April, the Commission adopted a *Connect America Fund Phase II Report and Order* to move forward with Phase II of the Connect America Fund for price-cap carriers. In addition, in an associated *Further Notice of Proposed Rulemaking (FNPRM)*, the Commission sought comment on a number of the issues you raise, including revising the current broadband performance obligations to require minimum speeds of 10 Mbps downstream and applying the same performance obligations to all recipients of Phase II support and to rate-of-return carriers. The *FNPRM* also seeks comment on a proposal to allow CAF II recipients more flexibility in meeting their performance obligations, such as the ability to substitute locations in partially-served census blocks for locations in the unserved census block for which it received support. The record on these issues just closed and is under consideration by Commission staff.

One final step in the process before we can complete CAF II, which your letter references, is that we must finalize the list of census blocks that are eligible for support. We recently initiated the CAF II challenge process and received a total of 178,335 challenges from parties challenging the served/unserved status of a census block. Commission staff is currently reviewing these challenges, and we recently released a Public Notice giving parties 45 days to comment on these challenges. We intend to make sure that a fair challenge process is conducted to ensure that all eligible unserved areas qualify for funding.

We expect a robust record on these topics and I welcome a dialogue with stakeholders as to how best to accomplish our shared objectives. I look forward to working with you as we continue reforming and modernizing the universal service fund high-cost program – as well as other components of the Universal Service Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a stylized flourish extending to the right.

Tom Wheeler